

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

IN RE:)	Chapter 11
)	
EASTERN LIVESTOCK CO., LLC,)	Case No. 10-93904-BHL-11
)	
Debtor.)	Hon. Basil H. Lorch III

**SECOND INTERIM APPLICATION OF BAKER & DANIELS LLP FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES
AS COUNSEL FOR JAMES A. KNAUER, CHAPTER 11 TRUSTEE**

Baker & Daniels LLP ("B&D") hereby makes its second interim application ("Second Application") for the allowance and payment of its attorneys' fees as counsel for James A. Knauer, the chapter 11 trustee appointed in this case (the "Trustee") and for reimbursement of out-of-pocket expenses advanced on behalf of the Trustee. In support of this Second Application, B&D states as follows:

1. Petitioning creditors commenced the above-captioned chapter 11 case ("Chapter 11 Case") against Debtor on December 6, 2010 ("Petition Date") by filing an involuntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. ("Bankruptcy Code"). This Court entered its *Order For Relief In An Involuntary Case And Order To Complete Filing* [Docket #110] on December 28, 2010.

2. On December 27, 2010, the Court entered its *Order Approving The Appointment Of James A. Knauer As Chapter 11 Trustee* [Docket #102] ("Trustee Order"), approving the United States Trustee's *Notice Of Appointment And Application for Order Approving Appointment of Trustee* [Docket #98] pursuant to 11 U.S.C. § 1104.

3. This Court, by order dated February 1, 2011 [Docket #248], approved the Trustee's retention of B&D as the Trustee's counsel.

4. This Second Application is the second interim application filed by B&D seeking compensation and reimbursement of out-of-pocket expenses advanced by counsel for the Trustee for the period May 1, 2011 through and including August 31, 2011 (the "Second Period").

5. In the course of its representation of the Trustee during the Second Period, B&D has performed a variety of services, all of which are described in detail in the billing statements attached as Exhibit A. The services performed by B&D for and on behalf of the Trustee during the Second Period include, but are not limited to the following categories:

- a. Asset Analysis and Recovery [B001]. B&D assisted the Trustee with identification, assessment, and review of potential assets including causes of action and non-litigation recoveries.
- b. Asset Disposition [B002] and Valuation [B021]. B&D assisted the Trustee with identification, strategy, and analysis of business components in determining the valuation of and the benefits of asset disposition.
- c. Business Operations [B003] and Tax Issues [B020]. B&D assisted the Trustee with matters generally related to the Debtor's operations, including settlement of purchase contracts and establishment of procedures for selling cattle inventory.
- d. Case Administration [B004]. This category consists primarily of work discharged by paralegals, and includes the accumulation, organization, retention and distribution of information for reporting purposes, the preparation of pleadings and notices, preparation for hearings, as well as for parties in interest, assembly of, filing, and maintenance of files concerning the pleadings filed in the case, communications with attorneys regarding appearance and interventions to make sure that all counsel were properly included upon the service list, review and calendaring of orders and notices, and communications with the Court regarding the entry and distribution of same. At times this category also includes work discharged

by attorneys interacting with the Court and the Clerk's office to ensure that matters are handled efficiently and within the applicable rules.

- e. Claims Administration And Objections [B005]. B&D assisted and advised the Trustee with respect to developing means to identify and address emergency and emerging issues related to prepetition claims and administrative claims as well as determining insurance issues related to the assertion of such claims and responded to creditor inquiries.
 - f. Fee/Employment Applications [B007] and Fee/Employment Objections [B008]. B&D assisted the Trustee with the preparation of employment applications and responded to objections or inquiries to same.
 - g. Financing [B009] and Corporate Finance [B016]. B&D represented the Trustee in negotiating a cash use and Trustee financing arrangement with Fifth Third Bank and other parties in interest, and assisted Development Specialists, Inc. ("DSI") with preparation of 13 week budgets. Arranging such financing involved numerous conferences, conversations and meetings with the Trustee as well as Fifth Third Bank and various parties in interest, preparation of pleadings, and presentation of a motion to the Bankruptcy Court.
 - h. Litigation [B010] and Relief from Stay Proceedings [B013]. B&D assisted the Trustee with matters relating to various interpleader actions, adversary proceedings and motions for stay relief, including legal research of jurisdictional issues, fact gathering and strategy discussions.
 - i. Plan and Disclosure Statement [B012]. Baker & Daniels LLP assisted the Trustee in formulating a framework for a distribution chapter 11 plan and term sheet, including negotiating with Fifth Third Bank.
 - j. Data Analysis [B017], Litigation Consulting [B018], and Reconstruction Accounting [B019]. This category consists primarily of work discharged by litigation support analysts, and includes management information systems review, installation and analysis, construction, maintenance and reporting of significant case financial data, lease rejection, claims, etc.
 - k. Travel [B022]. Time spent traveling to attend hearings and meetings.
6. B&D has reviewed its detailed summary of time, and has attempted to

eliminate double billing for conference time between B&D's timekeepers, except where the participation of the timekeepers has demonstrable benefit to the estate. The designation of "NC"

or "\$0.00" after a description of services means that no time has been charged for those services.

Where possible and efficient, B&D encourages the use of lesser billing rate attorneys to perform labor intensive tasks, with oversight and review by more experienced attorneys.

7. Exhibit A provides the detail of the time and hourly billing rate for each attorney, law clerk or paralegal of B&D who has performed services in this case during the Second Period. A summary of the fees requested by B&D for each such attorney, law clerk or paralegal and the number of hours worked for each individual, the billing rate requested and the total fees claimed is set forth below, segregated into separate matters for accounting and billing purposes:

Attorney/Paralegal Name	Hours	Rate	Total Fee
RKStanley	15.7	\$585.00	\$9,184.50
JMCarr	164.0	\$550.00	\$90,200.00
JJaffe	35.5	\$525.00	\$18,637.50
DPBennett	4.5	\$500.00	\$2,250.00
DRHamer	0.5	\$475.00	\$237.50
RARichardson	0.6	\$475.00	\$285.00
JPHanlon	19.5	\$440.00	\$8,580.00
KMToner	287.6	\$440.00	\$126,544.00
WWPonader	132.1	\$415.00	\$54,821.50
ERLewis	31.0	\$400.00	\$12,400.00
TEHall	178.8	\$370.00	\$66,156.00
SGhuman-O'Neill	23.6	\$355.00	\$8,378.00
SMEikenberry	106.0	\$340.00	\$36,040.00
HAMappes	180.7	\$255.00	\$46,078.50
DRDeNeal	275.4	\$245.00	\$67,473.00
ZAMyers	2.9	\$245.00	\$710.50
TFDowden	2.0	\$230.00	\$460.00
JMJohns	18.7	\$230.00	\$4,301.00
JLFerber	10.6	\$225.00	\$2,385.00
SBHerendeen	122.7	\$210.00	\$25,767.00
AKCastor	0.4	\$200.00	\$80.00
KDBritton	60.4	\$195.00	\$11,778.00
HETrivers	5.0	\$130.00	\$650.00
CWKimbrough	59.8	\$110.00	\$6,578.00

TOTALS 1,738.0 \$599,975.00

8. B&D has advanced the sum of \$21,383.32 for out-of-pocket expenses incurred in connection with this case on behalf of the Trustee during the Second Period. A summary of the out-of-pocket expenses incurred by B&D is set forth in Exhibit A.

9. Within the "Eastern Livestock" matter, B&D established certain task codes that cause related time to be grouped together to facilitate the review of the firm's requested fees by the Court, the United States Trustee, and creditors. Set forth below is a summary of the aggregate billings under the established task codes during the Second Period.

Task Description	Hours	Value
Asset Analysis and Recovery [B001]	288.4	\$108,987.50
Asset Disposition [B002]	61.0	\$22,432.00
Business Operations [B003]	13.1	\$5,207.00
Case Administration [B004]	314.6	\$92,065.00
Claims Administration and Objections [B005]	80.5	\$22,884.00
Fee/Employment Applications [B007]	12.3	\$3,183.00
Fee/Employment Objections [B008]	2.2	\$607.00
Financing [B009]	93.4	\$38,019.50
Litigation [B010]	801.1	\$278,648.00
Plan and Disclosure Statement [B012]	17.4	\$7,727.50
Relief from Stay Proceedings [B013]	6.1	\$2,818.00
Corporate Finance [B016]	0.2	\$105.00
Data Analysis [B017]	16.7	\$3,641.00
Litigation Consulting [B018]	2.9	\$710.50
Reconstruction Accounting [B019]	0.5	\$275.00
Tax Issues [B020]	4.9	\$2,470.00
Valuation [B021]	1.7	\$935.00
Travel [B022]	21.0	\$9,260.00
TOTALS	<u>1,738.0</u>	<u>\$599,975.00</u>

10. Pursuant to the *Order Granting First Interim Application Of Baker & Daniels LLP For Compensation And Reimbursement Of Expenses As Counsel For James A.*

Knauer, Chapter 11 Trustee ("First Interim Compensation Order") (docket #577), the Court approved Baker & Daniels LLP's fees and expenses incurred for the period December 27, 2010 through and including April 30, 2011 in the amounts of \$634,614.50 and \$25,851.82, respectively. B&D has been paid \$660,166.32 on account of the fees and expenses approved by the First Interim Compensation Order. This Second Application is the second application of B&D for interim compensation.

11. No agreement or understanding exists between B&D and any other person or entity for the sharing of compensation received for services rendered in connection with this case.

12. All services rendered and all expenses incurred for which compensation or reimbursement is sought have been rendered or incurred exclusively on behalf of the Trustee and represent necessary and proper legal assistance in the administration of this chapter 11 case.

WHEREFORE, B&D requests (i) the Court to award compensation for services performed during the Second Period by allowing attorneys' fees in the amount of Five Hundred Ninety-Nine Thousand Nine Hundred Seventy-Five and 00/100 Dollars (\$599,975.00) plus order reimbursement for out-of-pocket expenses incurred during the Second Period in the amount of Twenty-One Thousand Three Hundred Eighty-Three and 32/100 Dollars (\$21,383.32), and (ii) grant B&D all other just and proper relief.

Respectfully submitted,

BAKER & DANIELS LLP

By: /s/ James M. Carr

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CERTIFICATE OF SERVICE

I hereby certify that on November 11, 2011, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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